

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
ACADEMIC AFFAIRS COMMITTEE
OCTOBER 24, 2011
MINUTES**

Ms. Haddad called the meeting to order at 2:40 p.m. in the SCHEV main conference room, Richmond, Virginia. Council members present: Gilbert Bland, Johanna Chase, Joann DiGennaro, Mary Haddad, and Julious Smith. Staff members present: Beverly Covington, Joseph DeFilippo, Paula Fisher, Shannon Girouard, Monica Osei, and Lee Ann Rung.

ADDITION TO AGENDA

Ms. Haddad requested that an item for “New Business” be added to the end of the agenda and the request was unanimously approved.

APPROVAL OF MINUTES

On motion by Ms. DiGennaro and seconded by Mr. Smith the minutes from the July 18, 2011 meeting were unanimously approved as submitted.

LIAISON REPORT

Dr. DeFilippo reported on the following items:

Grants Update – GEARUP’s application for a new program beginning in fall 2011 was not approved by the U.S. Department of Education. The application remains in effect and may be funded next year. The agency is still awaiting notification from the U.S. Department of Education on the College Access Challenge Grant funding.

Commission on Youth – Dr. Osei has completed a request by the General Assembly’s Commission on Youth to survey higher education programs at public four-year institutions for use of evidence-based practices in child and adolescent behavioral health.

Distance Learning Workgroup – This workgroup of the Higher Education Advisory Committee has been led by Dr. Glenn DuBois and President John Broderick. The ad hoc group made a presentation to the Higher Education Advisory Committee, which is available on the Secretary of Education’s website.

American Association of Colleges and Universities (AACU) - Virginia is participating in a project (funded by Lumina) to study innovative practices in assessment, transfer, and completion.

SCHEV Strategic Plan – Due to the fact that that the work of the Higher Education Advisory Committee is still in process, Dr. DeFilippo suggested that updates to the strategic plan be held until after the General Assembly session when the Commonwealth's priorities will be clearer.

ACTION ON PROGRAMS AT PUBLIC INSTITUTIONS

Dr. DeFilippo provided brief information about the programs and representatives from George Mason University (GMU) were introduced and thanked for attending the meeting. Dr. Osei answered a question from one of the members and on motion by Ms. Chase and seconded by Mr. Smith, the following resolution was unanimously approved to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Master of Engineering (M.Eng.) degree program in Geotechnical, Construction, and Structural Engineering (CIP: 14.3301), effective spring 2012.

ACTION ON PRIVATE AND OUT-OF-STATE POSTSECONDARY EDUCATION (POPE) INSTITUTIONAL CERTIFICATIONS

Institutional representatives were asked to introduce themselves and were thanked for attending the meeting. Dr. DeFilippo was asked to provide information on Advanced Medical Esthetics and he deferred to the institutional representative who provided an explanation of the school's accreditation. On motion by Mr. Smith and seconded by Ms. DiGennaro the following resolutions were unanimously approved to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Court Reporting Institute of Arlington to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Institute of Advanced Medical Esthetics to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Job Market Training.com to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Professional Career Institute to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

ACTION ON ESTABLISHMENT OF ADVISORY COMMITTEE FOR OUT-OF-STATE NON-PROFIT INSTITUTIONS

Dr. DeFilippo provided background information about the need for establishing the advisory committee. Many of the 33 out-of-state non-profit institutions that are certified by SCHEV's Private and Out of State Postsecondary Education (POPE) have much in common, including many that are focused on military and adult education. The institutions approached staff with a proposal that a separate advisory committee be established for them. It was felt that the commonality among these institutions, as well as their differences from other institutions, would justify a separate Advisory Committee. Christine Burge from Troy University was introduced and expressed support for establishing the advisory committee. Ms. Woodley will serve as liaison to the committee, which is anticipated to meet once or twice a year to advise institutions on regulatory actions and receive input on policy matters. On motion by Ms. Chase and seconded by Mr. Smith, the following resolution was unanimously approved to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia establishes the Out-of-State, Non-Profit Advisory Committee to advise Council on academic and administrative matters and other issues related to out-of-state, non-profit postsecondary institutions certified to operate in the Commonwealth of Virginia, effective October 25, 2011. Staff is authorized to solicit nominations from eligible institutions and take any other measures necessary to fulfill the Committee's charge, which is hereby approved by Council.

UPDATE ON OUTSTANDING FACULTY AWARDS PROCESS

Dr. DeFilippo reviewed the process and indicated that said there have been a record number of submissions this year (125 compared to 107 last year). In answer to a question raised by Ms. DiGennaro as to what is being done to encourage institutions that do not participate, Dr. DeFilippo indicated that three years ago, staff began informal communications among institutional leadership and held workshops to assist institutions in preparing nomination packages. Mr. Bland noted that much of the problem smaller institutions encounter is related to staffing.

Ms. Covington reported that 15-16 independent colleges and most public institutions have submitted nominations. Ms. Haddad thanked Ms. Chase for agreeing to read the nominations.

UPDATE ON THE VIRGINIA COLLEGE ACCESS CHALLENGE GRANT

Ms. Paula Fisher, College Access Challenge Grant (CACG) Director and Senior Associate for Academic Affairs, provided a presentation that included the purpose of the grant, as well as current and future activities of the program. An application for Challenge Grant funds must be submitted every year, and a non-federal match totaling one third of the cost of the program is required. The goals of the grant meet SCHEV priorities as well as the Governor's goal of 100,000 new degrees conferred within 15 years. Shannon Girouard, Program Assistant, was introduced. The College Access Advisory group is staffed by SCHEV and consists of 13 partner organizations. Bonnie Sutton from the Access College Foundation in the Tidewater area was welcomed and distributed information about the organization. She informed members of the successful efforts underway as a result of CACG funding and thanked SCHEV for its commitment to the program.

Mr. Bill Scharrer from Project Discovery of Virginia provided a presentation and handouts of their efforts that have been supported by CACG funds.

Ms. Fisher explained that staff is awaiting notification of grant funding for the upcoming year.

NEW BUSINESS

Ms. Haddad asked that staff prepare a report listing all majors approved in the last 24 months with STEM disciplines identified as such.

Ms. Haddad also requested as a long-term project, that staff prepare a report of all distance learning currently being used in Virginia. She would like to be prepared to address questions that could arise from the Higher Education Commission on ways to better utilize distance learning.

Ms. DiGennaro suggested that the Committee explore SCHEV's statutory responsibilities with regard to curriculum, including comparisons to other states as relevant. She suggested that staff review the presentation made by the Anne Neal, President of the American Council of Trustees and Alumni, to the Boards of Visitors orientation in October and perhaps consider inviting her to speak at a future meeting.

The meeting was adjourned at 4:10 p.m.

Mary Haddad
Chair, Academic Affairs Committee

Lee Ann Rung
Manager, Executive & Council Affairs

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
EXECUTIVE COMMITTEE MEETING
OCTOBER 25, 2011
MINUTES**

Mr. Bland called the meeting to order at 8:40 a.m. in the SCHEV main conference room, James Monroe building, Richmond, Virginia. Council members present: Gilbert Bland, Johanna Chase, Joann DiGennaro, Jim Dyke, Stephen Haner, Mary Haddad, G. Gilmer Minor, and Katharine Webb.

Council member absent: Susan Magill

Staff members present: Jim Alessio, Peter Blake, Thomas Daley, Joe DeFilippo, Alan Edwards, Tod Massa, Kirsten Nelson, and Lee Ann Rung. Jake Belue from the Office of the Attorney General was also in attendance.

UPDATE ON AGENCY BUDGET

Ms. Boyd distributed and reviewed FY2012 Total Appropriation and Actual Expenditures for the period beginning September 30, 2011. She answered questions from members and indicated that no problems were anticipated.

Mr. Blake indicated that the agency requested additional General Fund (GF) support for four positions relative to responsibilities under the Top Jobs legislation (TJ21). These included one position in Academic Affairs; one in Data Warehousing; one in information technology related to VITA; and one in financial aid administration. A request was also submitted to convert two new positions to the GF that were approved previously for capital outlay but were never appropriated the Nongeneral Funds (NGF) to hire. After submission of these requests, all agencies received a memorandum from the Governor's office for reductions of 2, 4, and 6% in the agency operating budget. Mr. Blake reported that the reductions must also apply to the Eminent Scholars program and the Virginia Women's Institute for Leadership (VWIL) at Mary Baldwin College. Mr. Blake indicated that he has informed the Mary Baldwin president of SCHEV's requirement to include that program in its cost reduction plan. Council advised Mr. Blake to prepare a back-up plan in the event the positions requested are not approved.

ADJOURNMENT

The meeting was adjourned at 8:50 a.m.

G. Gilmer Minor
Secretary

Lee Ann Rung
Manager for Council and Executive Affairs

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
OCTOBER 25, 2011
MINUTES**

Mr. Bland called the meeting to order at 9:05 a.m. in the SCHEV main conference room, James Monroe building, Richmond, Virginia. Council members present: Gilbert Bland, Johanna Chase, Whittington Clement, Joann DiGennaro, Jim Dyke, Mary Haddad, Stephen Haner, G. Gilmer Minor, Julious Smith, and Katharine Webb.

Council member absent: Susan Magill

Staff members present: Jim Alessio, Lee Andes, Peter Blake, Thomas Daley, Joe DeFilippo, Alan Edwards, Dan Hix, Tod Massa, Kirsten Nelson, and Lee Ann Rung. Jake Belue from the Office of the Attorney General was also in attendance.

PUBLIC COMMENT

No requests for public comment were received in advance of the meeting.

APPROVAL OF MINUTES

On motion by Ms. Haddad and seconded by Mr. Minor the minutes from the September 20, 2011 Council meeting were unanimously approved as submitted.

AMENDMENT TO THE AGENDA

Mr. Bland requested that an item be added as *#5.d – Action on Two-Year College Transfer Grant Program, STEM-N Program Eligibility List Amendment*. Mr. Haner made the motion which was seconded by Mr. Smith and unanimously approved.

REMARKS BY PRESIDENT HURLEY

Mr. Bland introduced and welcomed President Rick Hurley from the University of Mary Washington. Mr. Hurley related a story of his unusual road to the presidency. Considering himself a non-traditional student since he did not attend college directly from high school, Mr. Hurley said he began his career in higher education in finance. Council members asked him to speak about the University of Mary Washington (UMW) and Mr. Hurley indicated that his goal is to dispel the notion that UMW is a well-kept secret. He informed the Council of several initiatives currently underway at UMW, including the opening of the Dahlgren campus in January.

Mr. Hurley indicated that the university's sophomore to junior retention rate may have been affected by the recent upheaval in changes in leadership. He is working hard to make students feel comfortable, and believes those efforts are paying off.

He was asked to provide his comments on the incentives proposed by the Higher Education Advisory Committee (HEAC). Mr. Hurley indicated that while the

incentives tend to favor larger institutions, he hoped that the incentive fund would also provide benefits to smaller institutions and allow them to bolster their mission. UMW has the third highest graduation rate in the country for public master's institutions of their size. The institution graduates 78% of its students in six years and 73% in four years. Mr. Hurley's goal is to make UMW the best public liberal arts institution in the country.

INTERIM DIRECTOR'S REPORT

Mr. Blake reviewed the following higher education activities:

Richard Bland College and Christopher Newport University recently celebrated their 50th anniversaries.

Four universities have inaugurated new presidents in the last month, including Rick Hurley at UMW, Keith Miller at VSU, Patrick Finnegan at LU, and Michael Rao at VCU.

Mr. Blake and Dr. Zheng recently met with community college staff and representatives of Taiwanese higher education institutions to discuss American higher education and possible partnerships between Taiwan and Virginia.

VCU basketball coach Shaka Smart produced a public service announcement for SCHEV's college access initiative. The announcement should air later this year.

Ms. DiGennaro was asked to report on the recent Boards of Visitors' orientation session. She indicated that the event was a success and complimented staff for their efforts. The Governor provided the keynote address and the Secretary of Education participated. The program also included a presentation from the President of the American Council of Trustees and Alumni (ACTA) about the expanded responsibilities of trustees; a financial aid presentation about national trends in student aid, and several panel discussions. Mr. Minor and Mr. Bland were thanked for moderating panel discussions.

ACTION ITEMS

Mr. Blake led a follow-up discussion of the items from the Advisory Committee discussed in the October 24 briefing session. He pointed out that members should note how the budget recommendations and the recommendations from the Advisory Committee are inter-related.

Mr. Blake reminded the Council that the next Higher Education Advisory Committee meeting is scheduled for November 7. The presentation at the briefing session provided the framework of the Advisory Committee. Members were reminded of Council's responsibility to make budget recommendations to the Governor and General Assembly. This responsibility exists in the *Code of Virginia* and these recommendations require action by the Council without reference to the work of the Advisory Committee.

It was decided that an additional Council meeting may be needed to review further the work of the Advisory Committee following its meeting on November 7, and members were asked to reserve November 14 for a special meeting. If nothing further comes out of the Advisory Committee after its meeting on November 7, the special meeting would be canceled.

Action on 2012-14 Systemwide Operating Budget

1. *Virginia Higher Education Opportunity Act/TJ21 Funding Model*

Mr. Hix reviewed the revised chart on page 39, and distributed the results of the survey of finance officers regarding systemwide operating budget priorities. The top three priorities included: faculty salaries; base adequacy/cost of education; and undergraduate and graduate financial aid. There was some discussion about faculty salaries and Mr. Hix explained that the 2% annual increase included in the chart would be for an across-the-board increase for faculty salaries. Further, if the Governor and General Assembly are able to provide additional general fund support for the recommended increase, the institutions should be authorized to provide up to an additional 2% for faculty salaries from institutional revenues.

There was some discussion about the amount colleges contributed from tuition to financial aid in the last few years. Staff indicated that while the agency keeps statistics on these amounts, each institution handles the contribution differently. Mr. Dyke felt that as an advocate for higher education, SCHEV should make a statement that focuses on the fact that the state has not provided sufficient funding over the last several years. As a result, the amount to finance the program continues to increase.

2. *Recommendations and Resolutions*

Staff was commended by Ms. DiGennaro for putting together a practical approach. Mr. Bland also thanked staff for their efforts in developing the proposed resolutions. Mr. Bland indicated that medical education encompassed many hours of work and he invited Eastern Virginia Medical School (EVMS) president, Harry Lester, to speak. Mr. Lester said the new EVMS building opened in August and the school has increased class size by 36%. He also thanked Council for their efforts.

After some discussion, a motion to approve the following resolution was made by Ms. Haddad and seconded by Mr. Smith. The resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends that additional operating budget appropriations be provided for the 2012-14 biennium for:

- **Base Adequacy/Cost of Education, \$51.2 million from the general fund and \$41.0 million in nongeneral funds in FY2013 and \$102.5 million from the general fund and \$82.1 million in nongeneral funds in FY2014. These funds would be provided to support base operating needs,**

enrollment growth, additional faculty and staff, library and other instructional and research materials, and efforts to increase the number of degrees;

- Faculty salary increases, \$6.4 million from the general fund and \$6.2 million in nongeneral funds in FY2013 and \$18.2 million from the general fund and \$17.8 million in nongeneral funds in FY2014. In addition, if the Governor and General Assembly are able to provide modest salary increases with additional state general fund support, as recommended herein, SCHEV further recommends language authorizing colleges and universities to provide up to an additional 2% for faculty salaries from institutional revenues.
- Undergraduate student financial aid, \$18.0 million from the general fund in FY2013 and \$35.9 million from the general fund in FY2014;
- Graduate student financial aid, \$3.6 million from the general fund in FY2013 and \$7.1 million from the general fund in FY2014;
- Operation and maintenance of new facilities, \$4.9 million from the general fund and \$5.5 million in nongeneral funds in FY2013 and \$11.6 million from the general fund and \$11.5 million in nongeneral funds in FY2014;
- Fund share equity/affordability, \$4.6 million from the general fund in FY2013 and \$9.2 million from the general fund in FY2014;
- Higher Education Equipment Trust Fund debt service, \$13.0 million from the general fund in FY2014;
- Projected enrollment growth, \$7.2 million from the general fund in FY2013 and \$15.8 million from the general fund in FY2014;
- Student success, institutional efficiency and effectiveness, \$12.8 million from the general fund in FY2013 and \$14.9 million from the general fund in FY2014.

3. *Initial Calculations (Appendix)*

Ms. Fornash joined the meeting and thanked Council for its discussion of the Higher Education Advisory Committee recommendations in the October 24 briefing session. She indicated that Council recommendations would be helpful to the Advisory Committee staff but indicated that the final work of Advisory Committee is not yet complete. She stressed the importance of continuing the collaborative work between SCHEV and the Advisory Committee.

Action on 2012-14 Systemwide Capital Outlay Budget

1. *New Capital Outlay*

Mr. Daley reminded the Council that part of its statutory authority is to evaluate the need among the Commonwealth's public institutions of higher education for new academic and administrative space under its Fixed Asset Guidelines. The guidelines also address the prioritization of requests for major renovations and capital improvements.

Mr. Daley reviewed the methodology for the priority groups to which the projects have been assigned and answered questions from members. There was some discussion about the dollar amounts in the recommendation. It was also suggested that staff develop a way to make the complex process more easily understood. One suggestion was to separate new projects from projects that meet the criteria and have already been approved. Mr. Daley agreed to send to members the percentage of new construction.

On motion by Mr. Haner and seconded by Mr. Minor the following resolution was approved by the Council on a vote of 9-0-1 (Ms. Haddad abstained):

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends the authorization of \$2,729,724,324 from the general fund and \$245,469,000 from nongeneral funds and debt to support the capital outlay needs of the Commonwealth's system of public higher education.

The Chair called for a break at 11:20. The Council reconvened at 11:30.

2. Maintenance Reserve

Mr. Daley reported that Council adopted a 10-year goal to allow each institution to achieve a campus-wide Facility Condition Index of "good" over a ten-year period through a series of scheduled appropriations. Since the cumulative shortfall of the original funding goal continued to increase over the 10-year period, the recommendations lost much of their original value. For the next budget cycle, staff proposed to develop an entirely new Maintenance Reserve strategy based on new statewide budgeting and reporting systems. On motion by Mr. Smith and seconded by Mr. Minor, the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends the appropriation of \$665,685,342 from the general fund to the Maintenance Reserve Program for higher education institutions in the 2012-14 Biennium.

ACTION ON THE TWO-YEAR COLLEGE TRANSFER GRANT PROGRAM, STEM-N PROGRAM ELIGIBILITY LIST AMENDMENTS

Mr. Andes provided background information about the two-year college transfer grant program and explained that when Council adopted the original list of programs eligible for the bonus award for students in STEM-N programs, the Complete College America's CIP Code list for use in institutional STEM reporting requirements was not yet developed.

Ms. DiGennaro inquired about the possibility of addressing the current emphasis on STEM as compared to the liberal arts. Ms. Webb suggested that the Academic Affairs Committee explore the possibility of amending the transfer grant legislation in the next General Assembly session. On motion by Ms. Webb and seconded by Ms. Chase the following resolution was approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia amends the list of science, engineering, and mathematics degree programs into which a student eligible for the Two Year College Transfer Grant program may enroll and receive the additional “bonus” STEM-N award by adding those adopted by SCHEV for institutional STEM reporting purposes, as it currently exists and is hereafter amended. Council further resolves that this change would be effective retroactively for the fall 2011 term.

Action on Incentive Allocation Related to the Higher Education Opportunity Act

Mr. Alessio provided a continuation of the discussion of potential enhancements to the funding model that was addressed at the October 24 briefing session and answered questions from members about the draft resolution. Mr. Blake reminded the Council of its statutory responsibility to review the recommendations of the Advisory Committee and report its recommendations to the Governor and the Chairs of the House Appropriations Committee and Education and Senate Committees on Finance and Education and Health. He recommended that the draft resolution be submitted directly to the Governor and General Assembly and distributed a copy of the revised resolution for discussion. Members asked for clarification on certain items in the resolution. It was mentioned that any action taken by the Council at this meeting should not be viewed as a final step in the dialogue between the Council and the Advisory Committee, the Governor’s office, and the General Professional Advisory Committee (GPAC). Ms. Fornash indicated that the Council need not approve a resolution at this meeting, but indicated that Mr. Blake could provide the Council’s feedback to the Advisory Committee at its next meeting on November 7. If a response were to come from the Advisory Committee on the Council’s recommendations, the Council could meet on November 14 to consider any final actions it may wish to consider.

A motion was made by Mr. Haner and seconded by Ms. DiGennaro indicating that the items listed in the revised draft resolution should be conveyed to the Advisory Committee by Mr. Blake as the “sense of the Council” without a formal resolution, with the understanding that Mr. Blake would make minor edits to the wording. **The motion was unanimously approved (9-0).** Mr. Clement was not present for the vote):

**Higher Education Opportunity Act
Targeted Economic and Innovation Incentives Funding
October 25, 2011**

SENSE OF THE COUNCIL

WHEREAS, the Council notes that one of the distinguishing factors about the Virginia higher education system is its diversity of institutions and their missions and providing them with appropriate autonomy to achieve those missions; and

WHEREAS, in formulating recommendations for the Higher Education Opportunity Act, the State Council of Higher Education for Virginia notes that much progress has been made under Restructuring and other innovative programs that provide a foundation upon which to implement the Higher Education Opportunity Act; and

WHEREAS, the Council is aware that an effort to build on that foundation must recognize that “one size does not fit all” and that our implementation of the Higher Education Opportunity Act should allow for that diversity; new therefore:

BE IT RESOLVED that the State Council of Higher Education for Virginia (SCHEV) commends the Council of Presidents (COP) and the Higher Education Advisory Committee (HEAC) on its excellent work in developing criteria for allocation of financial incentives outlined in the Higher Education Opportunity Act. The Council supports the recommendations of HEAC with the enhancements noted below:

STEM-H: SCHEV supports the goal of increasing STEM-H graduates but recommends that policy makers review the emphasis placed on STEM-H and determine a balance that meets the needs of the Commonwealth between STEM-H and non-STEM-H programs and disciplines.

Enrollment Growth: HEAC has recommended “some degree-completion threshold be set” for institutions to meet to receive funding for enrollment growth. SCHEV’s budget recommendations note that enrollment growth derives from three major events: “first time in college” students, transfer students, and retained students. Because all events contribute to the desired outcome – graduation – SCHEV’s budget recommendations do not include an eligibility requirement for the enrollment growth incentive.

Degree Growth Incentive – Point System: SCHEV recommends adding a point metric that recognizes improved performance in degree growth and improved performance of degree progression of under-represented students in addition to the volume of degrees.

Degree Growth Incentive – Efficiency Factor/Revenues per Degree: SCHEV recommends that the revenue per degree metric be used as an interim measure as policy makers continue to analyze efficiency factors. SCHEV further recommends that it develop an alternate set of peer institutions to be used in this year’s calculation. The alternate set will be based on the statistical model used to determine salary peer groups and consist of an equal number of public peers unique to each Virginia institution.

Degree Growth Incentive – Efficiency Factor/Graduation Rate: SCHEV recommends changing the comparison of graduation rate to the salary peer group average. Instead, the emphasis should be on institution improvement of its graduation rate over time.

Performance Measures: SCHEV staff will work with HEAC as it further develops performance measures related to incentive funding, notably the measures for revenue per degree and graduation rate improvement.

BE IT FURTHER RESOLVED SCHEV supports a funding model that includes additional general fund appropriations for both cost of education and incentives. Because base funding is essential to the efficient and effective operations of all institutions, SCHEV recommends that it have priority over incentive funding. Assuming a 2:1 ratio of cost of education funding (or a 3:1 ratio of total operating budget), the SCHEV budget recommendations would result in an incentive fund of approximately \$80 million for the biennium. These additional funds should become part of the base operating budgets of the institutions. SCHEV further recommends that, working with the Governor and the General Assembly, it should seek ways to incorporate elements of the incentive funding model into the cost of education funding model, i.e., degrees in addition to enrollment.

REPORT FROM ACADEMIC AFFAIRS COMMITTEE

Ms. Haddad reported on the items brought before the Academic Affairs Committee and Dr. DeFilippo provided a brief overview. Representatives from George Mason University were introduced and thanked for attending. The following resolution was unanimously approved by the Council (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Master of Engineering (M.Eng.) degree program in Geotechnical, Construction, and Structural Engineering (CIP: 14.3301), effective spring 2012.

Action On Private And Out Of State Postsecondary Education Institutional Certifications

The following resolutions were unanimously approved by the Council (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Court Reporting Institute of Arlington to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Institute of Advanced Medical Esthetics to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Job Market Training.com to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Professional Career Institute to operate a postsecondary institution in the Commonwealth of Virginia, effective October 25, 2011.

Action On Establishment Of Advisory Committee For Out Of State, Non-Profit Institutions

Dr. DeFilippo provided background information and the following resolution was approved (8-0). Mr. Dyke abstained:

BE IT RESOLVED that the State Council of Higher Education for Virginia establishes the Out-of-State, Non-Profit Advisory Committee to advise Council on academic and administrative matters and other issues related to out-of-state, non-profit postsecondary institutions certified to operate in the Commonwealth of Virginia, effective October 25, 2011. Staff is authorized to solicit nominations from eligible institutions and take any other measures necessary to fulfill the Committee's charge, which is hereby approved by Council.

Update On Outstanding Faculty Awards

Dr. DeFilippo reviewed the stages of the process, and Ms. Haddad thanked Ms. Chase for agreeing to be part of the peer review process. The final review panel will meet on December 13 to make final recommendations. It was reported that there has been an increase in submissions over the last two years.

Other Business

The Academic Affairs Committee also received a presentation from Paula Fisher about the College Access Challenge Grant.

ADJOURNMENT

The meeting was adjourned at 12:30 p.m.

G. Gilmer Minor
Secretary

Lee Ann Rung
Manager for Council and Executive Affairs